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800 RESPONSE INFORMATION SERV



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April 21, 2006

Arizona Corporation Commission
Docket Control
1200 W. Washington Street
Phoenix, AZ 85007-2927

RE: 800 Response Information Services LLC Responses to Staff's Letter of
Sufficiency and First Set of Data Requests
Docket No. T-20381A-05-0493

Dear Clerk:

Enclosed please find an original and 13 copies of 800 Response Information Services LLC's responses to staff's letter of sufficiency and first set of data requests, dated February 15, 2006. Per your request, this resubmitted filing does not contain any confidential matters. This filing is in support of the Company's application for a Certificate of Convenience and Necessity.

Please acknowledge receipt of this filing by returning, file-stamped, the extra copy of this cover letter in the self addressed stamped envelope provided for that purpose.

Please feel free to contact me if you have any questions regarding the enclosed documents.

Sincerely,

Robert Cleary
Director of Accounting

Enclosure

AZ CORP COMMISSION
DOCUMENT CONTROL

2006 APR 21 P 3:20

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800 Response Information Services LLC's ("800 RIS" or the "Company")
Response to
Staff's First Set of Data Requests
Docket No. T-20381A-05-0493

The following are the Company's responses to Staff's first set of data requests dated February 15, 2006, with respect to its Application for a Certificate of Convenience and Necessity to Provide Telecommunications Services in Arizona:

- JFB1- 1 Please submit a PDF file of your responses to this data request to jbostwick@cc.state.az.us .
- 800 RIS Understood.**
- JFB1-2 Please explain how your company calculated the actual maximum and actual minimum rates that will be contained in your tariffs for each of your services.
- 800 RIS: The Company provides only one service: inbound toll-free "800" services. As shown on page 19 of its proposed tariff, the Company charges a flat per minute rate for this service. It based its price on the cost of providing this service plus a reasonable profit.**
- JFB1-3 Please indicate why you believe that your range of rates is just and reasonable using a competitive market analysis. Your analysis should contain publicly available examples of rates charged by the incumbent or other carriers for similar services or any other information that you believe demonstrates that your actual rates are just and reasonable. Please include any supporting materials. For a list of telecommunications carriers certificated in Arizona, go to www.cc.state.az.us/utility/utility for a list of Commission-approved telecommunications rates and tariffs, go to www.cc.state.az.us/utility/tariffs .
- 800 RIS: With dozens of companies offering long distance service (including toll-free services) in the Arizona market, consumers will only pay for a service if they perceive it to be priced appropriately. 800 Response is currently offering service at the same rate levels in more than 40 other states, with thousands of businesses using our services. As 800 Response is not offering local exchange service, and has no captive customers, there is no such thing as an "incumbent" carrier.**
- JFB1-4 Please indicate why you believe that your range of rates is just and reasonable using a fair value or cost basis. Please include economic justification or cost support data. Please include any supporting materials.

- 800 RIS:** **800 Response does not offer local exchange service. As a long distance carrier, operating only in fully competitive markets, 800 Response does not maintain any data from which this type of analysis, which is inapplicable in any event, could be conducted.**
- JFB1-5 Please submit a complete tariff setting forth your rates and charges.
- 800 RIS:** **A complete tariff was attached to the Company's Application and Petition for Certificate of Convenience and Necessity.**
- JFB1-6 Please identify any other jurisdiction in which you company or an affiliate provides similar services. Please specify the rates that your company and/or affiliate charges for these similar services in these other jurisdictions. If there is a difference between the rates that your company will charge in Arizona and the rates that your company and/or affiliate charges in other jurisdictions for similar services: please identify and indicate the amount of the difference and explain why you are charging difference rates in Arizona.
- 800 RIS** **The Company is providing services in the following states: AL, AR, CO, CA, CT, FL, GA, IA, ID, IL, IN, KS, KY, LA, MA, MD, MI, MN, MS, MT, ND, NC, NH, NM, NJ, NV, NY, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VA, VT, WA, WI, WV, and WY. The rates that the Company proposes to charge in Arizona is the same as it charges for its toll-free services is the same in each of these states.**
- JFB1-7 Please identify any other jurisdiction in which you company or an affiliate is applying to provide similar services. Please specify the rates that your company and/or affiliate will charge for these similar services in these other jurisdictions. If there is a difference between the rates that your company charges in Arizona and the rates that your company and/or affiliate will charge in other jurisdictions for similar services: please identify and indicate the amount of the difference and explain why you are charging difference rates in Arizona.
- 800 RIS** **The Company is applying to provide service in each of the other states in which it has not already been granted authority by the appropriate body. The rates that the Company proposes to charge in Arizona is the same as the rates that it proposed to charge for its toll-free services in each of these states.**
- JFB1-8 In Item (A-9) you did not reference the tariff page number of Applicant's proposed rates and charges; maximum rates and prices; terms and conditions; deposits, advances and/or prepayments, fee for returned checks. Please reference the tariff page number requested for items 1 through 5.

800 RIS: **The proposed rates and charges for each service offered are shown on page 19 of the proposed tariff.**

The maximum rate and prices to be charged are shown on page 19 of the proposed tariff.

The terms and conditions applicable to the provision of service are shown on pages 8-16 of the proposed tariff

The Company does not require deposits, advances and/or prepayments as shown on page 15 of the proposed tariff.

The fee for returned checks is shown on page 19 of the proposed tariff.

JFB1-9 **In Item (A-13) you stated that the customers will not be able to access alternative toll service providers or resellers via 1_101XXXX access. Customers should have the ability to access an alternative provider. If not, please explain why not and what you mean by "...in-bound "800" toll free services..."?**

800 RIS: **The Company is proposing to provide only in-bound "800" toll free services. As such, the Company's customers will pay for calls made received by them via the toll-free number assigned to the customer (as opposed to the caller paying for the call). The Company is not proposing to provide local exchange service, so all of its customers will be using other local exchange carriers, who will offer them the ability to access toll service providers, either through 1+, 101XXXX, or otherwise.**

JFB1-10 **In Item (A-14) you did not check the appropriate box. Please indicate your response for long distance resellers.**

800 RIS: **The Company did not check any of the boxes in Item (A-14) because none of them seemed appropriate to the services to be offered by the Company. Specifically, the first box in this item, which would otherwise appear to apply to the Company, is limited to those resellers who collect advances, prepayments or deposits. Because the Company will not be collecting advances, prepayments or deposits, we did not check any box, but instead made note of this fact. The Company made further note of this in Item (A-15). Should a box be required to be checked, the most appropriate box would be "No", with regard to the long distance resellers.**

- JFB1-11 In Item (A-15) you did not reference the tariff page number of the Applicant's deposit policy. Please reference the tariff page number of your deposits, advances, and prepayment policy.
- 800 RIS:** **Please see page 15 of the proposed tariff.**
- JFB1-12 Item (A-17) refers to switching capability in Arizona. Do you have a switch in Arizona.
- 800 RIS:** **No. The Company does not have a switch in Arizona. The Company's only switch is located in Massachusetts.**
- JFB1-13 In Item (A-19) you did not list the key personnel employed by the Applicant. Also, indicate each key employee's name, title, position, description of their work experience, and years of service in telecommunications services industry.
- 800 RIS:** **Please see attachment A hereto for the resume of key employees.**
- JFB1-14 Please list 800's carrier number or ID number assigned by the Public Utility Commission ("PUC") in each state where 800 currently provides long distance telecommunications services.
- 800 RIS:** **The company is not aware of any such numbers having been assigned.**
- JFB1-15 For each state where 800 currently provides resold long distance telecommunications services, please list the name and phone number of the individual in the PUC that reviewed 800's application.
- 800 RIS:** **This information has not generally been provided to 800 Response by other states.**
- JFB1-16 In item (B-1) you state that the Applicant just began its operations on July 1, 2005. Please provide financial information, using actual figures, from the date 800 began its operations. Provide a copy of your balance sheet, income statement, audit report, retained earnings balance, and all related notes to the financial statements and information for the six months ending December 31, 2005.
- 800 RIS:** **Please see attachment B hereto for a copy of the Company's financial statements for the six months ending December 31, 2005. As the company is privately held, with working capital provided by its equity holders, it does not have audited financial statements.**

Attachment A

800 Response Information Services LLC Resumes of Key Employees

Mitchell Knisbacher, Founder

Dr. Knisbacher has over 20 years experience at senior management levels in the telecommunications industry. He has extensive experience in the management of Network Operations and Engineering, Information Systems, Operations, Finance, Sales, Marketing and Customer Service functions, all for telecommunications companies. Dr. Knisbacher was the CEO and founder of Long Distance North, a long distance reseller that operated in Vermont, New Hampshire, Maine and Massachusetts for ten years. He was also Senior Vice President of Riser Management Systems, LLP, a company that specialized in design and engineering of telecom infrastructure in large Class A office buildings around the country. Dr. Knisbacher holds a B.S. in mathematics from the University of Maryland, a J.D. from Harvard, and a Ph.D. from Tufts University.

Robert Cleary, Director of Accounting

Bob Cleary has over twenty years experience in the accounting arena, with the last ten years spent supervising all positions that comprise an accounting department. Previously, Bob served as the senior accountant and financial analyst for Long Distance North. Mr. Cleary will be responsible for the daily financial affairs of the company as well as management of the human resource functions. Mr. Cleary holds an accounting degree from Johnson State College.

Linda Young, Director of Operations

With over fifteen years of telecommunications industry experience, Linda Young will oversee the operations department at 800 Response Information Services including the Customer Service and Technical Service staffs. Linda has extensive experience in operations management and software design. She has years of experience supervising programming teams, and developing software both for back office operations and the provision of enhanced telecommunications services. Previously she worked for a financial services firm in Boston. Ms. Young holds a B.S. in Business Administration, with honors, from the University of Vermont.

John Evancie, Director of Information Systems

John has extensive experience in creating and managing information systems and directing operations for technical service organizations. He will direct the IS team at 800 Response, where he will oversee software development, the help desk, and operations and administration of 800 Response Information Services' IVR and web platforms. Mr. Evancie served nine years as Director of Information and Business Services for the \$50-million New England division of Frontier Communications, a regional long distance carrier. Previously, he was a systems analyst for Data Systems, Inc. and performed strategic planning for McDonnell Aircraft Company (a division of Boeing). Mr. Evancie holds a B.A. in statistics from the University of Rochester and an M.S. in Management from Case Western Reserve University.

Attachment B

800 Response Information Services LLC

Financial Statements for Six Months Ending December 31, 2005

See following pages

800 Response Information Services LLC
Balance Sheet
December 31, 2005

Current Assets:

| | |
|---------------------|---------|
| Cash | \$1,115 |
| Accounts Receivable | 21,379 |
| Other | 20,559 |

Fixed Assets (net):

| | |
|-----------|----------------|
| Equipment | <u>252,618</u> |
|-----------|----------------|

| | |
|--------------|-------------------------|
| Total Assets | <u><u>\$295,671</u></u> |
|--------------|-------------------------|

Current Liabilities:

| | |
|----------------|----------|
| Trade Payables | \$73,325 |
| Other | 36,291 |

Other Long Term:

| | |
|------------------|---------------|
| Note Payable | 52,274 |
| Accrued Expenses | <u>68,120</u> |

| | |
|-------------------|---------|
| Total Liabilities | 230,010 |
|-------------------|---------|

Equity:

| | |
|--------------|---------------|
| Capital | 48,776 |
| YTD Earnings | <u>16,885</u> |

| | |
|----------------------------|-------------------------|
| Total Liabilities & Equity | <u><u>\$295,671</u></u> |
|----------------------------|-------------------------|

800 Response Information Services LLC
Income Statement
Twelve months ending Dec 31, 2005

| | | |
|----------------------|------------------|----------------|
| Income: | | |
| Telecom Related | \$ 753,578 | |
| Cost of Services | <u>(377,869)</u> | |
| Gross Profit Telecom | | 375,709 |
| Other Revenue | | <u>15,805</u> |
| Total Income | | 391,514 |
| Expenses: | | |
| Operating | 341,882 | |
| Other | <u>32,747</u> | |
| Total Expenses | | <u>374,629</u> |
| Net Profit | | \$ 16,885 |

800 Response Information Services
Cash Flow Statement

| | <u>YTD 2005</u> |
|---|---------------------|
| Cash flows from operating activity | |
| Net (loss) gain | 16,885 |
| Adjustments to reconcile net loss/gain to net cash used in operating activities: | |
| Depreciation and amortization | 32,747 |
| Changes in assets and liabilities: | |
| (Increase)decrease in trade accounts receivable , net | (21,379) |
| (Increase)decrease in prepaid expenses/other current assets | (20,559) |
| Increase(decrease) in trade accounts/telephone payable | 71,782 |
| Increase(decrease) in note payable | 52,274 |
| Increase(decrease) in accrued payroll and other expenses | <u>104,411</u> |
| Net cash (used in) provided by operating activities | <u>236,161</u> |
| Cash flows from investing activities: | |
| Purchase of property and equipment | (285,364) |
| Net cash used in investing activities | <u>(285,364)</u> |
| Cash flows from financing activities: | |
| Contributions- Members | 50,317 |
| Net cash (used in) provided by financing activities | <u>50,317</u> |
| Increase in cash and cash equivalents | 1,114 |
| Cash and cash equivalents at beginning of period | <u>0</u> |
| Cash and cash equivalents at end of period | <u><u>1,114</u></u> |